Hazardous Materials Information Review Commission

2011-2012

Report on Plans and Priorities

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Minister of Health
Government of Canada

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President's Message

I am pleased to present to Parliamentarians, and to Canadians, the Hazardous Materials Information Review Commission's 2011-2012 Report on Plans and Priorities outlining our goals and objectives for the next three years. In fulfilment of its mandate, the Commission registers chemical trade secrets in an efficient and timely manner and evaluates associated health and safety information for compliance with Workplace Hazardous Materials Information System (WHMIS) standards. It is important to the Commission and all stakeholders that accurate and complete hazard classification and health and safety information are available to workers as soon as possible in order to prevent injury in Canadian workplaces.

This report covers the first year of operation under a new Program Activity Architecture (PAA) and the second year of the Commission's new Integrated Plan 2010-2012. This two-year transition plan provides the Commission with the opportunity to build a strong foundation and pursue its strategic objectives. In addition, this plan provides the springboard to progress toward a longer-term and more ambitious integrated plan in the future. To this end, the Commission will focus on these strategic directions endorsed by the Council of Governors:

(1) **Enhance the quality and responsiveness of HMIRC services in order to emphasize proactive compliance with claimants' obligations**
HMIRC believes in proactive compliance. While it can order claimants to take actions to improve their MSDS and/or label information, the Commission will focus its efforts on equipping claimants, affected parties, industry, labor partners and public authorities with the knowledge and tools that they need to support proactive compliance.

(2) **Improving the organization, translation and dissemination of HMIRC's knowledge so as to better exploit and share its unique expertise on improving hazard classification and communications**
The exclusive work that the Commission performs allows it to gather unique information. HMIRC will place greater emphasis on analyzing, synthesizing, and sharing its unique knowledge and data holdings so as to enhance the completeness, accuracy, comprehensibility and accessibility of hazard communications. Its practical, on-the-ground knowledge and expertise will also be made available to inform the development of improved hazard communication polices and practices.

(3) **Increase partnership participation in order to work with others to better address hazard communication challenges**
Partnering with stakeholders leverages the Commission's knowledge, expertise and resources. Creating strategic partnerships, characterized by complementary interests and strengths, enable HMIRC to pursue its priorities more energetically, effectively and economically.

In operationalizing its Integrated Plan, the Commission will improve organizational alignment and the management of resources. A logic model has been created to demonstrate linkages between the strategic and operational components, identify

HMIRC's target audiences, and illustrate alignment and cohesiveness of the relevant activities required to produce key outputs which, in turn, contribute to outcomes in line with the strategic directions. The final piece of the plan, an evaluation methodology, will assess success and allow for adjustment throughout the implementation process.

I am proud of the effort the Commission has invested in planning for success in the future. This will ensure stability, consistency and continuity within the organization and position the Commission to achieve its short and long term goals. Although a small agency with modest resources, the Commission is committed to effectively perform its unique, national role within WHMIS, to ensure industry competitiveness and advance accurate workplace health and safety information. I am confident that we will continue to make a worthwhile contribution to the Government of Canada outcome of Healthy Canadians.

Sharon Watts
President and Chief Executive Officer

Section I: Commission Overview

Raison d'être

The Hazardous Materials Information Review Commission provides a single mechanism under federal, provincial and territorial legislation to protect the trade secrets of companies that supply or use hazardous materials, and ensures that Canadian workers who handle such materials have all the information they need to do so safely.

Responsibilities

The Commission enables companies to protect their trade secrets and, at the same time, ensures that MSDSs for products with trade secrets used by workers in Canada disclose complete and accurate information to reduce workplace-related illness and injury. The Commission's activities are key components of WHMIS, which was created in 1987 through a consensus between workers, industry and government. The success of WHMIS depends on cooperation among all these partners. All three groups play an integral part in ensuring that chemical products are used as safely as possible in Canadian workplaces.

WHMIS requires that suppliers provide employers with MSDSs and product labels which detail information on the hazards of materials sold for use in Canadian workplaces. The employers, in turn, provide these MSDSs and labels to workers and, as well, training on how to handle the products safely. A product's MSDS must fully disclose all hazardous ingredients in the product, its toxicological properties, the safety precautions workers need to take when using the product, treatment required in the case of injury, and other pertinent information.

When a supplier introduces a product and wants to protect the identity or concentration of one or more of the hazardous ingredients, according to the HMIRA, the company needs to apply to HMIRC for an exemption from the requirement to list all hazardous ingredients on the product's MSDS. Once HMIRC registers a claim, the product can be made available in the marketplace without disclosing the confidential business information. The Commission then evaluates the claim and issues a decision on its validity and, to protect workers, verifies the compliance of the MSDS with the *Hazardous Products Act* and *Controlled Products Regulations*.

When an employer purchases a product and wants to protect the identity and/or concentration of any hazardous ingredients, or the name and the supplier of the product, according to the HMIRA, the company also needs to apply to HMIRC for an exemption. In this case, in addition to issuing a decision on the claim's validity, the Commission evaluates the MSDS and, if necessary, the label, against the requirements of either the *Canada Labour Code*, for federally regulated employers, or the relevant provincial or territorial occupational health and safety regulations.

Where areas of non-compliance are identified, the Commission offers claimants the opportunity to make corrections through voluntary compliance undertakings. If the claimant chooses not to accept the undertaking, the Commission issues formal orders obligating the claimant to make the changes.

In cases where there are disputes that cannot be resolved, HMIRC convenes independent boards to hear appeals from claimants or affected parties challenging decisions and orders or from affected parties challenging undertakings signed by claimants and accepted by HMIRC.

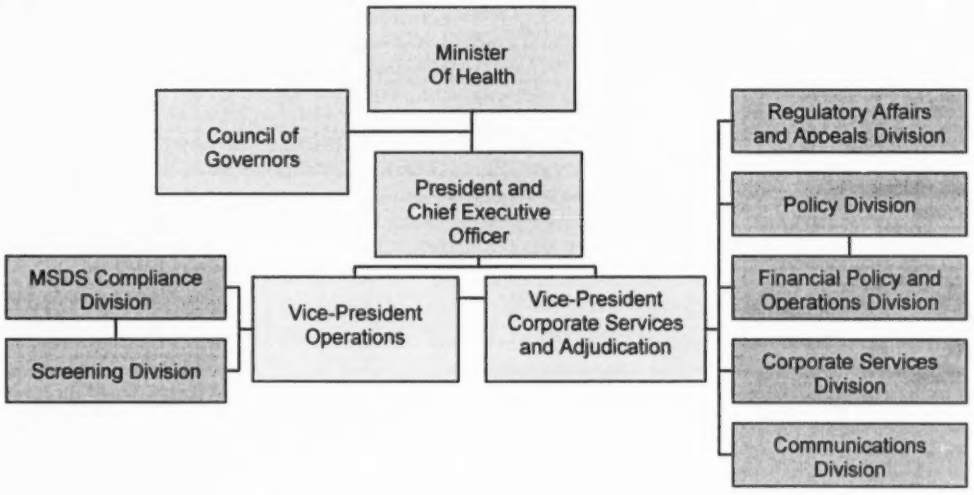
In addition, HMIRC responds to requests from federal, provincial or territorial government health and safety officials for information about claims for exemption to help these officials administer and enforce their WHMIS obligations.

Governance Structure

The Commission's governance structure is based on collaboration between government, industry and workers. The Council of Governors provides strategic advice and guidance to the Commission and makes recommendations to the Minister of Health. It consists of up to 18 members representing key stakeholders across all jurisdictions:

1 representing the federal government,
up to 13 representing the provincial and territorial governments,
2 representing workers,
2 representing industry (1 representing suppliers and 1 representing employers).

The Commission's President and Chief Executive Officer is appointed by the Governor in Council to supervise and direct the organization's day-to-day activities. The President is accountable to Parliament through the Minister of Health.



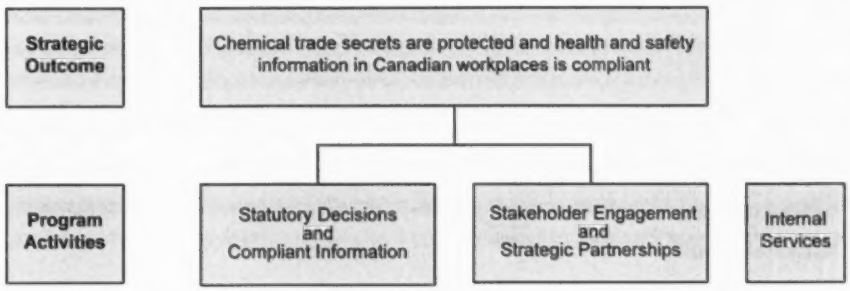
Values and Operating Principles

The Commission recognizes that continuous improvement is critical in order to remain relevant and to provide effective and efficient performance and service quality. HMIRC has identified the values and operating principles that foster this continuous improvement. These are: ***FAIRNESS, TIMELINESS, ACCESSIBILITY, TRANSPARENCY, ACCOUNTABILITY, QUALITY, CONSISTENCY, COMPETENCY, RESPECT, SECURITY*** and ***CONFIDENTIALITY*** .

The Commission's values and operating principles are aligned with and uphold the values of the Public Service as expressed in the Values and Ethics Code:

http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/tb_851/vec-cve1-eng.asp#_Toc46202800

Strategic Outcome and Program Activity Architecture (PAA)


Strategic Outcome
Chemical trade secrets are protected and health and safety information in Canadian workplaces is compliant
Program Activities
Statutory Decisions and Compliant Information
Stakeholder Engagement and Strategic Partnerships
Internal Services

PAA Crosswalk

The revised PAA for 2011-12 more accurately reflects work undertaken in fulfilment of the Commission's mandate and encompasses all elements of the Commission's renewed strategic directions and integrated planning. The changes have resulted in the rewording of the Strategic Outcome and the splitting of the single Program Activity into two Program Activities. The chart below illustrates the former and revised structures.

Crosswalk of Program Activity Architecture 2010-11 to 2011-12	
Former PAA	**Revised PAA**
Strategic Outcome 1.0 Trade secret exemptions are provided in a way that balances the right of industry to protect their confidential business information with the right of workers to receive accurate information concerning the health and safety hazards posed by chemicals in the workplace.	**Strategic Outcome 1.0** Chemical trade secrets are protected and health and safety information in Canadian workplaces is compliant.
Program Activity 1.1 Claims Exemption Process	**Program Activity 1.1** Statutory Decisions and Compliant Information
	Program Activity 1.2 Stakeholder Engagement and Strategic Partnerships

Planning Summary

Financial Resources (Sthousands)

2011-12	2012-13	2013-14
4,535	4,535	4,535

Human Resources (Full-time Equivalent – FTE)

2011-12	2012-13	2013-14
42	42	42

Strategic Outcome : Chemical trade secrets are protected and health and safety information in Canadian workplaces is compliant.	
Performance Indicators	**Targets**
Percentage of claimants who have applied corrected trade secret protected material safety data sheet (MSDS) information to other MSDSs	50%
Estimated financial value of confidential business information protected under the *Hazardous Material Information Review Act*	$100M

Program Activity	**Forecast Spending 2010–11**	**Planned Spending**			**Alignment to Government of Canada Outcomes**
		2011–12	**2012–13**	**2013–14**	
Statutory Decisions and Compliant Information	4,253	2,797	2,797	2,797	Healthy Canadians
Stakeholder Engagement and Strategic Partnerships		538	538	538	
Internal Services	1,737	1,200	1,200	1,200	
Total Planned Spending		4,535	4,535	4,535	

Contribution of Priorities to Strategic Outcome

Operational Priorities	Type	Links to Strategic Outcome	Description
Priority 1: Advance compliance with WHMIS standards	Ongoing	Strategic Outcome 1	*Why is this a priority?* The Commission is committed to improving compliance with WHMIS standards in hazard communications to the benefit of claimants, workers and industry. Proactive compliance creates greater efficiency in the claim process, makes worker health and safety information available faster and ultimately reduces the risk of injury in the workplace. *Plans for meeting the priority* Continue to develop and provide guidance, support and tools related to proactive compliance for claimants, workers and industry. Targeted monitoring of MSDS compliance. Explore ways to support compliance work related to MSDSs not subject to HMIRC review.
Priority 2: Increase stakeholder knowledge of hazard classification and communication	Ongoing	Strategic Outcome 1	*Why is this a priority?* Increased translation and dissemination of the Commission's scientific knowledge will contribute to improved worker health and safety information. *Plans for meeting the priority* More effectively organize the Commission's knowledge of hazard classification and communication, including information on GHS when implemented in Canada and on the implications for claimants and other stakeholders. Conduct stakeholder needs analysis regarding scientific information related to hazardous materials. Build a foundation for the analysis, translation and dissemination of information holdings for optimal use by HMIRC stakeholders regarding worker health and safety information.

Priority 3: Leverage the Commission's knowledge, expertise and resources through key partnerships	Ongoing	Strategic Outcome 1	*Why is this a priority?* Strategic partnerships will allow for innovative, cost effective and practical solutions to improve knowledge and understanding of, and proficiency in, hazard communications, as well as compliance with WHMIS/GHS standards. *Plans for meeting the priority* Explore and identify the components of a framework for mutually beneficial partnerships. Seek opportunities for collaboration that will contribute to increased proficiency in hazard communications for the workplace. Explore methods to exchange knowledge and information through partnerships.
Management Priorities	**Type**	**Links to Strategic Outcome**	**Description**
Priority 4: Enhance management accountability	Previously committed to		*Why is this a priority?* Renewed accountability will focus the Commission's attention and resources in order to efficiently, effectively and economically align with short and long term outcomes. *Plans for meeting the priority* Operationalize the Integrated Plan (comprised of Strategic and Operational Plans and an Evaluation Methodology) across the organization. Introduce an integrated Planning and Reporting Cycle to synchronize and streamline activities and to improve reporting and performance measurement. Implement the renewed Human Resources Framework and Budget Management Framework. Continue capacity building for Information Management and Information Technology.

Risk Analysis

Operational Context

Workers, industry and government agree on the importance of preventing illnesses and injuries from hazardous materials in Canadian workplaces. In order to help achieve this goal WHMIS was created through the adoption of complementary and interlocking legislation across federal, provincial and territorial jurisdictions. WHMIS requires suppliers, including manufacturers, importers and distributors, and employers, to provide health and safety information about the chemicals produced or used in Canadian workplaces.

As part of the WHMIS initiative, the *Hazardous Materials Information Review Act* and related regulations also came into force. This legislation established the Hazardous Materials Information Review Commission (HMIRC), an independent agency with a quasi-judicial role. HMIRC provides the mechanism in Canada to protect the confidential business information of chemical suppliers and employers and to ensure accurate and complete health and safety information is available to workers.

Risks and Opportunities

The Commission will pursue the development of guidance information and tools for stakeholders in order to encourage a proactive approach to compliance. This initiative is intended to improve the understanding and application of WHMIS standards to MSDSs and labels in order to create more compliant health and safety information at the beginning of the claim process rather than at the end. It should also contribute to a more efficient and effective processing of claims. Success will depend on a thorough analysis of current information, consultation with stakeholders, and selection of the best guidance and tools to make a difference.

While the Commission is recognized for its work in the field of hazard classification and communications, it intends to consolidate and translate this expertise for greater dissemination. This may include participation in domestic and international forums, as well as the exploration of mutually beneficial partnerships with related organizations. Fundamental to realizing this Commission priority will be a good understanding of stakeholder information needs and how best to answer these needs.

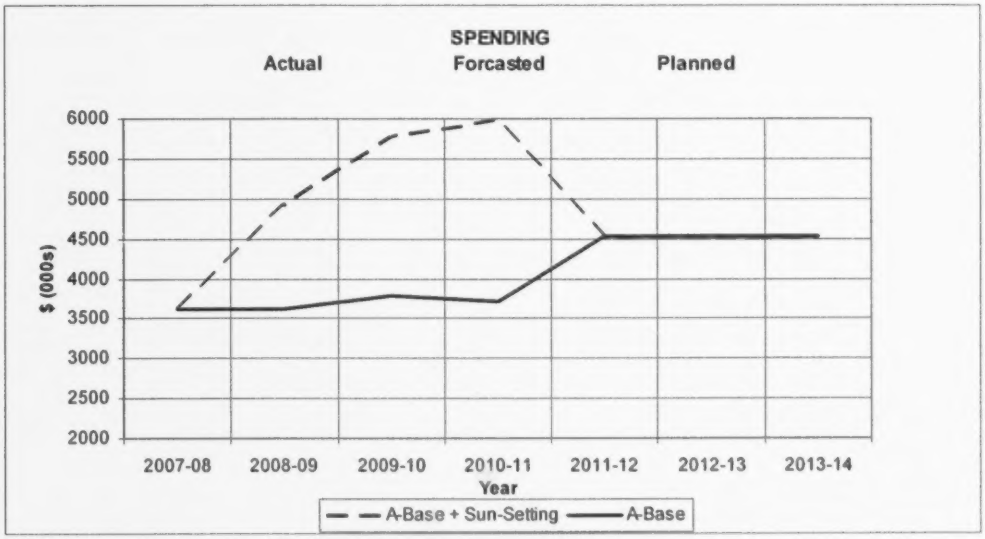
An Integrated Plan 2010-12 has been implemented at the Commission. This plan should result in greater efficiency, effectiveness and economy in its operations across the organization. This effort is necessary to carefully manage the Commission's limited resources and streamline work in order to meet its mandate and to provide value for money. Financial management and human resources are naturally key. Information technology, information management, and evaluation have been identified as well as areas which require consideration and investment to support priorities, outcomes and accountability.

Expenditure Profile

In 2007-08, HMIRC developed a plan to eliminate its backlog of claims for exemption over a three year period (2008-2011) and to prevent it from recurring. The Commission sought supplementary funding for each of the three years, as well as ongoing funding, for 2011-2012 and beyond, to implement the plan.

In January 2008, Health Canada (HC) and HMIRC, in consultation with the Treasury Board Secretariat, and with concurrence of the Minister of Health, agreed that Health Canada would transfer $1.7 M to HMIRC to begin the work required to address the backlog through the 2008-2009 Supplementary Estimates A. The Annual Reference Level Update was identified as the appropriate mechanism for transferring supplementary funding of $2 M each year for 2009-2010 and 2010-2011, as well as $850K for 2011-2012 and ongoing.

The figure below illustrates HMIRC's actual spending from 2007-2010, forecast spending in 2010-2011, and planned spending in 2011-2014. It also illustrates the sunset of one-time funding from 2008-2011 towards the plan to eliminate the claims backlog.



Estimates by Vote

Estimates by Vote are presented in the 2011–12 Main Estimates which are available here: http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/info/info-eng.asp.

Section II Analysis of Program Activities by Strategic Outcome

Program Activity by Strategic Outcome

Program Activity 1.1

Program Activity 1.1 : Statutory Decisions and Compliant Information					
Human Resources (FTEs) and Planned Spending (000s)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
25	2,797	25	2,797	25	2,797

Program Activity Expected Results	Performance Indicators	Targets
Claimants submit valid claims	Percentage of claims found to be valid on review	100%
Claimants are proactively compliant with Workplace Hazardous Material Information System requirements	Average number of violations in material safety data sheets of record	4.5 violations

Program Activity 1.1 Summary:

The Workplace Hazardous Materials Information System (WHMIS) requires chemical manufacturers, importers, distributors, and employers to provide cautionary labelling and material safety data sheets (MSDSs) for every controlled product produced, used or intended for use by workers in Canadian workplaces. Pursuant to the *Hazardous Materials Information Review Act*, the Hazardous Materials Information Review Commission has the mandate to make decisions on the validity of claims for exemption from disclosure requirements under WHMIS, while ensuring that associated health and safety information made available to Canadian workers is compliant with the WHMIS standards. Specifically, to fulfill its program requirements, the Commission registers claims, issues decisions on claim validity and compliance, offers claimants an opportunity to comply voluntarily and when necessary, orders claimants to take actions to bring MSDSs and/or labels into compliance. In carrying out this program, the Commission fosters proactive compliance. It assists claimants in respecting relevant statutory requirements by providing the information, knowledge, tools and support they

need to submit complete and accurate claims and bring associated MSDSs and/or labels into compliance.

Program Activity 1.1 Planning Highlights:

1. Establish a compliance baseline to inform future proactive approaches.

2. Provide claimants with the knowledge, tools and information to be WHMIS compliant.

Program Activity 1.2

Program Activity 1.2 : Stakeholder Engagement and Strategic Partnerships					
Human Resources (FTEs) and Planned Spending (000s)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
5	538	5	538	5	538

Program Activity Expected Results	Performance Indicators	Targets
Improved knowledge and proficiency of hazard communications	Percentage of participants who increased knowledge of hazard communication due to outreach activity	75%
	Percentage of participants at outreach activity who used increased knowledge to improve hazard communication	25%

Program Activity 1.2 Summary:

The work completed by the Commission enables it to gather unique information and data holdings on hazard communications under the Workplace Hazardous Materials Information System in terms of completeness, accuracy, comprehensibility and accessibility. Through partnerships, the Commission attempts to more fully a) mine, b) test and compare and c) share its knowledge so as to improve hazard communications for Canadian industry and Canadian workers. It also uses this knowledge to improve the understanding and proficiency of interested domestic and international public bodies in developing hazard communication approaches, tools and supports the establishment of

mutually beneficial partnerships that contribute to the creation and distribution of information and knowledge that enhance the safe handling of hazardous chemicals.

Program Activity 1.2 Planning Highlights:

1. Explore and identify stakeholder interest in forming mutually beneficial partnerships.

2. Share information to improve stakeholder knowledge of hazard communications.

Internal Services 1.3

1.3 Internal Services					
Human Resources (FTEs) and Planned Spending (000s)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
12	1,200	12	1,200	12	1,200

Internal Services 1.3 Summary:

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. At HMIRC these groups are: Management and Oversight Services; Communications Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Internal Services 1.3 Planning Highlights:

1. Strengthen organizational alignment and cohesion through the implementation of the 2010-12 HMIRC Integrated Plan.

2. Implement the evaluation and internal audit function.

3. Renew the approach to Human Resources Management and Budget Management.

4. Develop a Commission-wide approach to Information Management and Information Technology Management.

Benefits for Canadians

Canada's health system exists to safeguard and improve the health of Canadians. The responsibility for health is spread across the federal, provincial and territorial governments. Occupational health and safety programs, including WHMIS, are an essential part of the Canadian health system. As part of WHMIS, the Commission provides the trade secret exemption mechanism on behalf of the federal, provincial and territorial governments, including the promotion of improved occupational health and safety for Canadian workers. It does this by assessing and addressing the hazards of chemical use in the workplace, by innovation in translating its knowledge of hazard classification and communication, by ensuring compliance with public standards across jurisdictions, and by fostering mutual support and cooperation among key stakeholders. Through these activities HMIRC contributes to the achievement of the Government of Canada strategic outcome of "Healthy Canadians".

The Commission's work also supports the Government of Canada's strategic outcome of a "Fair and Secure Marketplace". This outcome ensures the marketplace continues to foster competitive conditions in order to attract investment, encourage innovation, and protect the public interest. The Commission enhances competition by protecting trade secrets in the chemical industry.

Section III: Supplementary Information

Future-Oriented Financial Statements

http://www.hmirc-ccrmd.gc.ca/index1-eng.shtml

Supplementary Information Tables

Supplementary Information Tables can be found electronically on the Treasury Board of Canada Secretariat's website at: http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp.

Table 1: Greening Government Operations
Table 2: Upcoming Internal Audits and Evaluations over the next three fiscal years
Table 3: Sources of Respendable and Non-Respendable Revenue

Section IV: Other Items of Interest

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